

Prepared by and Return to:
James J. Lyne, Jr., Vice President
BOATMEN'S BANK OF TENNESSEE
6060 Poplar Ave., Suite 400
Memphis, TN 38119

BK 0937 PG 0640

STATE MS.-DE SOTO CO.

SEP 29 10 33 AM '97

MODIFICATION AND EXTENSION AGREEMENT OF
REVOLVING PROMISSORY NOTE AND DEED OF TRUST
(SECOND MODIFICATION)

BK 937 PG 640
W.E. DAVIS CH. CLK.

THIS MODIFICATION AGREEMENT is made and entered into as of the 28th day of August, 1997, by and between BOATMEN'S BANK OF TENNESSEE, a Tennessee banking corporation (hereinafter "Bank"), and M & H CONSTRUCTION, INC. (C/L #1035460-0001), (hereinafter "Borrower").

WITNESSETH:

WHEREAS, the Borrower is indebted to the Bank as evidenced by that certain Revolving Promissory Note dated March 4, 1996, in the original principal amount of Four Hundred Thousand and 00/Dollars (\$400,000.00) (the "Note") as the same may have been amended, modified, or extended, whether or not by written agreement, prior to the date hereof; and,

WHEREAS, the Note is secured by the Deed of Trust and Fixture Filing, Assignment of Rents and Security Agreement (the "Deed of Trust") dated March 4, 1996, recorded in the Chancery Clerk's Office of DeSoto County, Mississippi, in Book 827 Page 755 through Page 766, and a Security Agreement dated March 4, 1996; and

WHEREAS, Borrower desires to obtain a modification and extension of the terms of the Note and the Deed of Trust from the Bank, and the Bank is willing to grant said modification and extension according to the terms and conditions hereinafter set forth; and,

NOW, THEREFORE, in consideration of these premises, the financial accommodations afforded by Bank and Borrower, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree, for themselves, their successors, and assigns, as follows:

1. The Note is hereby extended and modified so as to include the following terms, covenants and conditions, and so that the Note will be paid in the following manner to wit:

- A. The maturity date of the Note is extended until November 30, 1998, and monthly interest payments will continue as scheduled with the unpaid principal balance and all accrued interest being due and payable on November 30, 1998.
- B. The extension of the Line of Credit is predicated on and subject to no material adverse change in the company's financial condition as revealed in the company's audited financial statements as of August 31, 1997, the company's fiscal year-end.

2. The lien of the Deed of Trust is hereby extended so that the lien of the Deed of Trust will not be barred by any applicable statute of limitations hereinabove, and so that the lien of the Deed of Trust shall remain in full force and effect and unimpaired until March 1, 2001, unless a Trust Deed Release is recorded in the Chancery Clerk's Office of DeSoto County, Mississippi, constituting a release of this Agreement.

3. The Borrower promises to pay the Note as set forth hereinabove; to pay any and all present and future indebtedness secured by the Deed of Trust and Security Agreement; to keep and perform all the covenants, terms and conditions contained in the Note, the Deed of Trust, and the Security Agreement as modified herein and in all instruments now or hereafter evidencing or securing the indebtedness evidenced hereby or secured by the Deed of Trust and the Security Agreement. In the event of default of any of the terms and conditions contained in the Note, the Deed of Trust, and the Security Agreement, the holder of the Note, at its option, may declare the indebtedness evidenced thereby accelerated and matured for all purposes, and may proceed to foreclose the Deed of Trust or to exercise, at its option, any right or privilege granted in the Note, in the Deed of Trust, and in the Security Agreement, and by law.

4. The terms, covenants and conditions of the Note, the Deed of Trust, and the Security Agreement are hereby incorporated herein by reference, and the Borrower warrants that no default exists thereunder and that all covenants and warranties made therein are true. The terms, covenants, conditions and lien of the Deed of Trust, the Security Agreement, and the Note and of all instruments evidencing or securing the indebtedness, will remain in full force and effect, and will in no manner be affected by the execution of this Agreement, except as the same is expressly modified herein.

5. A release of the Deed of Trust recorded in the County Clerk's Office of DeSoto County, Mississippi, shall constitute a release of this Agreement.

6. It is understood and agreed that this Agreement does not constitute a new debt or indebtedness but merely modifies the Note and Deed of Trust as set forth above.

7. As modified hereby, the Note, the Deed of Trust, and the Security Agreement shall continue in full force and effect. Nothing in this Agreement shall adversely effect, invalidate, impair, or release any covenant, condition, agreement, or stipulation contained in the Note, the Deed of Trust, and the Security Agreement, as modified hereby, or any guaranty or any other document evidencing or securing the indebtedness evidenced by the Note, all of which shall continue in full force and effect as previously modified or as modified hereby. All of the said documents constituting collateral security for any indebtedness of Borrower shall continue to secure all indebtedness of Borrower to Bank, whether now existing or hereafter arising, including, without limitation, the indebtedness evidenced by the Note and Deed of Trust.

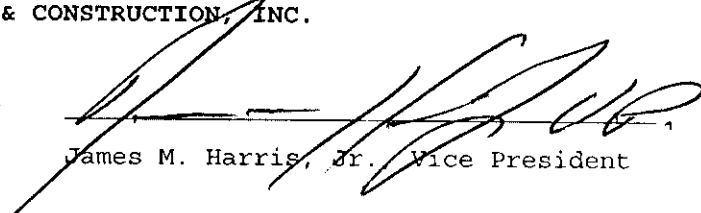
9. This Agreement does not discharge any of the obligors, sureties, endorsers or guarantors of the Note and all rights of the Bank against any or all of the same are hereby expressly reserved.

10. This Agreement shall be binding upon and inure to the benefit of the respective heirs, successors, next of kin, assigns, transferees and grantees.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

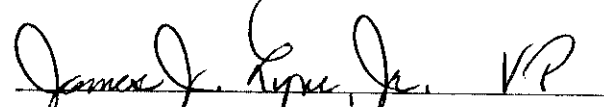
M & CONSTRUCTION, INC.

By


James M. Harris, Jr., Vice President

BOATMEN'S BANK OF TENNESSEE

By

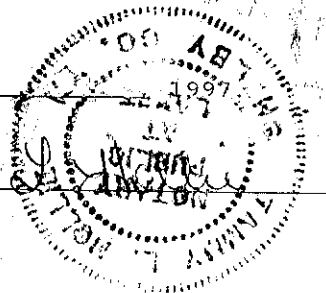

James J. Lyne, Jr., Vice President

STATE OF TENNESSEE
COUNTY OF _____

Before me, the undersigned Notary Public in the county and state aforesaid, personally appeared James M. Harris, Jr., with whom I am personally acquainted, and who, acknowledged himself to be the Vice President of M & H CONSTRUCTION, INC. the within named bargainor, a corporation, and that he as such Vice President, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Vice President.

WITNESS my hand and official seal this 29th day of August

[Signature]
NOTARY PUBLIC



MY COMMISSION EXPIRES JAN. 12, 2000

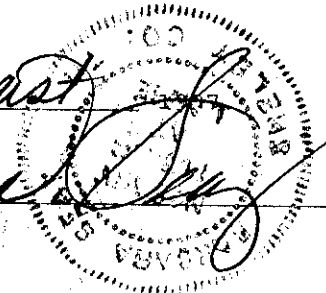
My commission expires:

STATE OF TENNESSEE
COUNTY OF _____

Before me, the undersigned Notary Public in the county and state aforesaid, personally appeared James, J. Lyne, Jr., with whom I am personally acquainted, and who, acknowledged himself to be the Vice President of BOATMEN'S BANK OF TENNESSEE the within named bargainor, a corporation, and that he as such VICE PRESIDENT, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Vice President.

WITNESS my hand and official seal this 29th day of August

[Signature]
NOTARY PUBLIC



6/10/98
My commission expires:

D/C	<u>12</u>	DR #	<u>8</u>
Pgs.	<u>3</u>	ltn.	
Val			
STATE TAX			
REGISTER'S FEE			
RECORDING FEE <u>1200</u>			
WT <input type="checkbox"/> MISC FEE			
TOTAL			
STATE OF TENNESSEE SHELBY COUNTY GUY B. BATES REGISTER			